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**SECURITIES TRADER INDICTED FOR ALLEGED
PERJURY AND OBSTRUCTION OF JUSTICE**

CHICAGO -- A Du Page County securities trader and entrepreneur was indicted for allegedly filing false sworn statements and pleadings in connection with a civil lawsuit in which he was a defendant and ordered to pay a \$60,000 penalty. A three-count federal grand jury indictment returned late yesterday alleges that between 1997 and 1999, the defendant, **Frank J. Custable, Jr.**, falsely represented to the U.S. District Court in Chicago the nature and extent of his finances as well as those of a company he owned and controlled, Patrick J. Fitzgerald, United States Attorney for the Northern District of Illinois, announced today.

Custable, 38, whose last known address was in Glendale Heights, was charged with two counts of perjury and one count of obstruction of justice. He will be arraigned at a later date in U.S. District Court.

According to the indictment, Custable was the owner of F.C. Financial (FCF), which did business at different times in Glen Ellyn and Downers Grove. In 1994, Custable and FCF were named as defendants in a civil complaint filed by the Securities and Exchange Commission, *Securities and Exchange Commission v. Frank J. Custable, Jr. and F.C. Financial Corporation*, 94 C 3755 (N.D. Il.). In 1996, U.S. District Judge John A. Nordberg ordered that Custable and FCF

pay a \$60,000 civil penalty. The SEC then took steps to collect the \$60,000 but was opposed by Custable and FCF, who asserted that neither of them had the funds to pay the penalty.

In early 1997, Judge Nordberg ordered Custable to submit a sworn statement of his assets and liabilities, along with those of FCF. The indictment charges that on Oct. 15, 1997, after some delay, Custable presented to the Court a sworn Statement of Financial Condition on behalf of himself and FCF. One perjury count charges that the statement was false in several material respects, including the ability of the defendants to pay even a portion of the judgement, the extent of the defendants' real estate interests, Custable's spouse's income, transfers of significant amounts of cash, and interests in bank accounts, securities and cash.

The second perjury count alleges that on Feb. 5, 1999, Custable filed a second affidavit that was also false as to representations concerning certain real estate and Custable's ability to pay the fine.

The obstruction count charges that between 1997 and 1999, Custable endeavored to obstruct and impede the administration of justice in the SEC lawsuit by using the allegedly false affidavits, as well as several pleadings filed with the court on his behalf that allegedly contained false statements and representations.

Mr. Fitzgerald announced the charges with Anita L. Davidson, Inspector-in-Charge of the U.S. Postal Inspection Service in Chicago. Mr. Fitzgerald and Ms. Davidson commended the assistance of Mary E. Keefe, Regional Administrator of the Securities and Exchange Commission in Chicago, and her office in the investigation. The government is being represented by Assistant U.S. Attorney Daniel W. Gillogly.

If convicted, each count of perjury carries a maximum penalty of five years in prison and a \$250,000 fine. The maximum penalty for obstruction of justice is 10 years imprisonment and a

\$250,000 fine. Restitution is mandatory. The Court, however, would determine the appropriate sentence to be imposed under the United States Sentencing Guidelines.

The public is reminded that an indictment contains only charges and is not evidence of guilt. The defendant is presumed innocent and is entitled to a fair trial at which the United States has the burden of proving guilt beyond a reasonable doubt.

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